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**Section 1: 8-K (8-K)**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of The  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 7, 2019

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**FGL HOLDINGS**

(Exact name of registrant as specified in its charter)

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Cayman Islands  
(State or other jurisdiction  
of incorporation)

001-37779  
(Commission  
File Number)

98-1354810  
(IRS Employer  
Identification No.)

4th Floor  
Boundary Hall, Cricket Square  
Grand Cayman, Cayman Islands  
KY1-1102

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: 1 (345) 947-5614

Not Applicable

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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, par value \$.0001 per share	FG	New York Stock Exchange
Warrants to purchase ordinary shares	FG WS	New York Stock Exchange

**Item 2.02. Results of Operations and Financial Condition.**

The following information, including the Exhibits referenced in this Item 2.02, is being furnished pursuant to this Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On August 7, 2019, FGL Holdings (the “Company”) issued a press release announcing its results of operations for the quarter and full fiscal year ended June 30, 2019. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K. In addition, the Company is furnishing the related quarterly financial supplement as Exhibit 99.2 to this Current Report on Form 8-K.

**Item 8.01 Other Events**

On August 7, 2019, the Board of Directors of the Company declared a quarterly cash dividend of \$0.01 per ordinary share, payable September 9, 2019 to shareholders of record at the close of business on August 26, 2019.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
99.1	<a href="#">Earnings Release of FGL Holdings dated August 7, 2019.</a>
99.2	<a href="#">Financial Supplement of FGL Holdings dated August 7, 2019.</a>

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

August 7, 2019

**FGL HOLDINGS**

By: /s/ Eric L. Marhoun

Name: Eric L. Marhoun

Title: Secretary and General Counsel

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## Section 2: EX-99.1 (EXHIBIT 99.1)

### FGL Holdings Reports Second Quarter 2019 Results and Declares Common Stock Dividend

GEORGE TOWN, Cayman Islands: August 7, 2019 - FGL Holdings (NYSE: FG), a leading provider of annuities and life insurance, today announced financial results for the second quarter of 2019.

**Net income** available to common shareholders for the second quarter of 2019 was \$38 million, or \$0.17 per diluted common share, compared to net income for the second quarter of 2018 of \$33 million, or \$0.15 per diluted common share.

**Adjusted operating income (AOI)<sup>1</sup>** available to common shareholders for the second quarter of 2019 was \$65 million, or \$0.30 per diluted common share, compared to AOI for the second quarter of 2018 of \$58 million, or \$0.27 per diluted common share.

#### Key Highlights:

- **12 percent growth in AOI, driven by increased investment yield and growth in the business**
- **Record sales growth for total annuity sales, up 46 percent to \$1.1 billion, and fixed indexed annuities (FIAs) sales, up 40 percent to \$767 million**
- **F&G executed approximately \$900 million reinsurance block transaction between highly rated mutual insurer and F&G Reinsurance Ltd**
- **Estimated risk-based capital ratio of approximately 475 percent, up 25 points over prior quarter**
- **Adjusted operating ROE<sup>1</sup> of 18.3 percent**

"I'm pleased to announce very strong results for our second quarter, including record annuity sales while achieving our targeted returns," said Chris Blunt, F&G President and Chief Executive Officer. "We also increased our investment yield and generated a strong ROE, amidst the current challenging interest rate environment. In addition, we are seeing excellent momentum with our offshore reinsurance platform and overall, the operating metrics across the business are strong."

On the M&A front, we were particularly active and we assessed several large transactions during the quarter, on which we incurred \$11 million after tax, or \$0.05 per share, in project expenses. We ultimately closed one transaction for the offshore reinsurance business and considered several others. Looking ahead, we have additional opportunities currently under evaluation, and given our strong balance sheet with \$300 million of readily deployable capital, we are well positioned for continued organic and inorganic growth across our franchise."

The table below reconciles reported after-tax net income to adjusted operating income (AOI) available to common shareholders.

(In millions)

**Reconciliation from Net Income (loss) to AOI<sup>(1)</sup>:**

Three Months Ended	
June 30, 2019	June 30, 2018
(Unaudited)	(Unaudited)

Net income (loss)	\$	46	\$	40
Dividends on preferred stock		(8)		(7)
Net income (loss) available to common shareholders		38		33
Effect of investment losses (gains), net of offsets <sup>(2)</sup>		(22)		37
Impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries <sup>(2) (3)</sup>		69		(9)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets		(10)		—
Effect of integration, merger related & other non-operating items		(3)		3
Effects of extinguishment of debt		—		(2)
Tax impact of adjusting items		(7)		(4)
AOI available to common shareholders <sup>(1)</sup>	\$	65	\$	58

## Second Quarter Earnings Results

**Net income available to common shareholders** for the second quarter was \$38 million, or \$0.17 per share, compared with net income available to common shareholders of \$33 million, or \$0.15 per share, in the prior year. Results for second quarter 2019 include the following net unfavorable items, \$48 million FIA embedded derivative market movements and fair value effects related to international subsidiaries, partially offset by \$18 million net unrealized gains driven by market value changes on preferred equity securities and \$3 million other market and non-operating items; all of which have no impact to AOI.

**Adjusted operating income available to common shareholders** for the second quarter was \$65 million, or \$0.30 per share, up 12 percent from \$58 million, or \$0.27 per share, in the prior year. The increase was driven by strong and consistent underlying performance trends across the business from invested asset growth and improved underlying net investment spreads. Results included net unfavorable items of \$4 million, or \$0.02 per share, from \$11 million of project costs, partially offset by \$4 million favorable market movement on the futures program, and \$3 million single premium immediate annuities (SPIA) mortality gains. The prior year quarter included net favorable items of \$6 million, or \$0.03 per diluted share.

## Summary Financial Results (Unaudited)

(In millions, except per share data)	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Fixed indexed annuity (FIA) sales <sup>(1)</sup>	\$ 767	\$ 549	\$ 1,435	\$ 985
Total retail annuity sales <sup>(1)</sup>	\$ 1,122	\$ 769	\$ 2,175	\$ 1,547
Average assets under management (AAUM) <sup>(1)</sup>	\$ 27,388	\$ 25,491	\$ 26,696	\$ 25,224
Net investment spread - FIA <sup>(1)</sup>	2.84%	2.54%	2.67%	2.46%
Net investment spread - All products <sup>(1)</sup>	2.26%	2.08%	2.21%	1.98%
Net income (loss) available to common shareholders	\$ 38	\$ 33	\$ 201	\$ 91
Net income (loss) available to common shareholders per diluted share	\$ 0.17	\$ 0.15	0.92	0.42
AOI available to common shareholders <sup>(1)</sup>	\$ 65	\$ 58	\$ 147	\$ 119
AOI available to common shareholders per diluted share <sup>(1)</sup>	\$ 0.30	\$ 0.27	0.67	0.55
Weighted average common basic shares	217.2	214.4	218.5	214.4
Weighted average common diluted shares	217.3	214.4	218.5	214.4
Total common shares outstanding	217.2	214.4	217.2	214.4
Book value per common share	\$ 8.46	\$ 4.62	\$ 8.46	\$ 4.62
Book value per common share excluding AOCI <sup>(1)</sup>	\$ 7.31	\$ 7.44	\$ 7.31	\$ 7.44

See footnotes below.

## Continued Sales Momentum

Total sales for the second quarter were \$1,236 million, an increase of 10 percent from the first quarter 2019 and 49 percent compared to the prior year. Total retail annuity sales were \$1,122 million for the second quarter, an increase of 7 percent from the preceding quarter and 46 percent compared to the second quarter of 2018.

Sales of fixed indexed annuities in the second quarter were \$767 million, an increase of 15 percent from the first quarter 2019 and 40 percent over the prior year. The Company continues to execute on its growth strategy and is seeing increased sales from productive partnerships with our independent marketing organizations (IMO's). The Company has taken pricing action, in light of lower available investment yields and in line with the competitive environment, to maintain our disciplined approach to new business and inforce profitability and capital management.

Sales of multi-year guarantee annuities (MYGA's) were \$263 million in the current quarter, an increase of 20 percent compared to \$220 million in the same period last year. Sales increases were driven by strong market positioning through the strength of distribution partnerships and supported by enhanced asset sourcing capabilities. During the quarter, F&G also completed a \$92 million funding agreement with the Federal Home Loan Bank (FHLB) under an investment spread strategy. The Company views FHLB volume as opportunistic and subject to fluctuation period to period.

Indexed universal life (IUL) sales in the quarter were \$10 million, up from \$7 million last year. Growing IUL sales reflect the Company's focus on the quality of new business and pricing discipline. The Company is targeting IUL growth through expanded distribution and new advisors, particularly following the ratings upgrade to A- by A.M. Best in 2018.

In the second quarter, the Company's Bermuda-based subsidiary, F&G Reinsurance Ltd (F&G Re), generated \$104 million of flow reinsurance deposits, as compared to \$60 million in the sequential quarter, driven by additional volume from new and existing partnerships. Volume is expected to expand as additional opportunities come online in 2019.

F&G Re has also entered into a reinsurance agreement with a highly rated mutual insurer, whereby they reinsured a \$900 million inforce block of fixed deferred annuities on a coinsurance funds withheld basis. The insurer will continue to service and administer the inforce policies within the block. The transaction closed effective April 1, 2019.

### **Investment Management Performance**

The investment portfolio is performing well and providing attractive risk-adjusted returns, benefiting from Blackstone's investment management expertise. Net investment income and yield continue to increase from the sequential quarter as the impacts of repositioning emerge.

Fixed income asset purchases during the second quarter were nearly \$2,185 million at an average net yield<sup>(4)</sup> of 4.75 percent. Fixed income asset purchases included \$928 million public corporate bonds, \$926 million of structured securities (CLO, CMBS, RMBS, and ABS), and \$331 million preferred, municipal bonds and other securities. The Company continues to reduce its exposure to BBB corporates, having completed \$500 million of asset sales in the prior quarter and recently approved an additional \$500 million reduction targeted for the third quarter. Overall, the average NAIC rating for the portfolio is stable at approximately 1.5. Alternative asset fundings were \$912 million, or 3.4 percent of the portfolio, at quarter-end and are expected to increase to approximately 4 percent by year-end 2019.

Average assets under management (AAUM)<sup>1</sup> were \$26.7 billion for the six months ended June 30, 2019. AAUM increased \$1.5 billion compared to the prior year period due to \$1.7 billion net new business asset flows and \$0.9 billion block reinsurance transaction, partially offset by \$0.7 billion reinsurance cession and \$0.4 billion non-economic impacts of purchase accounting. A roll forward of AAUM<sup>(1)</sup> can be found in the non-GAAP measurements section of this release.

Net investment income was \$315 million in the second quarter of 2019, up \$33 million, or 12 percent, from the second quarter of 2018. Net investment income grew approximately \$30 million from portfolio reposition uplift and \$20 million from invested asset growth, partially offset by \$11 million higher planned investment expense and \$6 million lower bond prepay income.

The average earned yield on the total portfolio in the second quarter was 4.60 percent, compared to 4.42 percent in the second quarter of 2018. The rate increase reflects reposition uplift on the structured and alternative assets that are now in the portfolio.

Net investment spread across all products was 226 basis points, up 9 basis points on a sequential basis due to higher portfolio yield partially offset by higher interest credited and option costs, and up 18 basis points to the prior year primarily reflecting an increase in portfolio yield as a result of reposition activity. Net investment spread for fixed indexed annuities was 284 basis points in the second quarter of 2019, up 30 basis points on a sequential basis due to higher portfolio yield and lower interest credited and option costs.

### **Capital Management Highlights**

- The Board of Directors declared a quarterly dividend of \$0.01 per common share. The dividend is payable on September 9, 2019, to shareholders of record as of the close of business on August 26, 2019.
- The Company repurchased 147,842 common shares during the quarter at an average price of \$8.00 per common share for a total of \$1.2 million. Capacity remaining under the existing share repurchase authorization was \$115 million at the end of the quarter.
- GAAP book value per common share, including accumulated other comprehensive income (AOCI) at June 30, 2019 was \$8.46 with 217.2 million common shares outstanding. Book value per common share, excluding AOCI<sup>(1)</sup> was \$7.31.

- The Company continues to have a strong and stable capital position, with an estimated Statutory company action level risk-based capital (RBC) on an aggregate basis of approximately 475 percent as of June 30, 2019.

### **Conference Call and Earnings Release**

This press release and the financial supplement will be posted to the Company's website at [investors.fglife.bm](http://investors.fglife.bm).

F&G will conduct a webcast and conference call on Thursday, August 8, 2019 at 9:00 a.m. ET to discuss second quarter 2019 results.

The event can be accessed the following ways:

- For internet webcast, visit [investors.fglife.bm/investors](http://investors.fglife.bm/investors) at least 15 minutes prior to the start of the call to register.
- For conference call, dial 877.883.0383 (U.S. callers) or 412.902.6506 (International callers) approximately 10 minutes prior to the start of the call. The access code is 5982101.
- A replay of the event via webcast will be available after the call at [investors.fglife.bm/investors](http://investors.fglife.bm/investors).
- A replay of the event via telephone will be available by dialing 877.344.7529 (U.S. callers) or 412.317.0088 (International callers). The access code is 10132619.

The replay information will be available through August 29, 2019.



**FGL HOLDINGS AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
*(In millions, except share data)*

	June 30, 2019	December 31, 2018
	(Unaudited)	(Audited)
<b>ASSETS</b>		
Investments:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost: June 30, 2019 - \$22,954; December 31, 2018 - \$22,219)	\$ 23,362	\$ 21,109
Equity securities, at fair value (cost: June 30, 2019 - \$1,174; December 31, 2018 - \$1,526)	1,144	1,382
Derivative investments	383	97
Mortgage loans	760	667
Other invested assets	1,030	662
<b>Total investments</b>	<b>26,679</b>	<b>23,917</b>
Cash and cash equivalents	772	571
Accrued investment income	232	216
Funds withheld for reinsurance receivables, at fair value	1,922	757
Reinsurance recoverable	3,264	3,190
Intangibles, net	1,421	1,359
Deferred tax assets, net	150	343
Goodwill	467	467
Other assets	191	125
<b>Total assets</b>	<b>\$ 35,098</b>	<b>\$ 30,945</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Contractholder funds		
	\$ 24,828	\$ 23,387
Future policy benefits, including \$1,787 and \$725 at fair value at June 30, 2019 and December 31, 2018, respectively	5,641	4,641
Funds withheld for reinsurance liabilities	839	722
Liability for policy and contract claims	66	64
Debt	542	541
Other liabilities	922	700
<b>Total liabilities</b>	<b>32,838</b>	<b>30,055</b>
<b>Commitments and contingencies</b>		
Shareholders' equity:		
Preferred stock (\$.0001 par value, 100,000,000 shares authorized, 414,126 and 399,033 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively)	—	—
Common stock (\$.0001 par value, 800,000,000 shares authorized, 221,660,974 issued and outstanding at June 30, 2019 and December 31, 2018)	—	—
Additional paid-in capital	2,014	1,998
Retained earnings (Accumulated deficit)	30	(167)
Accumulated other comprehensive income (loss)	251	(937)
Treasury stock, at cost (4,475,919 shares at June 30, 2019; 600,000 shares at December 31, 2018)	(35)	(4)
<b>Total shareholders' equity</b>	<b>2,260</b>	<b>890</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 35,098</b>	<b>\$ 30,945</b>

**FGL HOLDINGS AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

*(In millions, except per share data)*

	Three months ended		Six months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenues:</b>				
Premiums	\$ 8	\$ 15	\$ 24	\$ 33
Net investment income	315	282	604	545
Net investment gains (losses)	135	(2)	375	(193)
Insurance and investment product fees and other	37	45	92	93
Total revenues	495	340	1,095	478
<b>Benefits and expenses:</b>				
Benefits and other changes in policy reserves	268	217	607	178
Acquisition and operating expenses, net of deferrals	147	46	191	86
Amortization of intangibles	13	17	42	44
Total benefits and expenses	428	280	840	308
Operating income	67	60	255	170
Interest expense	(8)	(7)	(16)	(13)
Income (loss) before income taxes	59	53	239	157
Income tax expense	(13)	(13)	(22)	(52)
<b>Net income (loss)</b>	<b>\$ 46</b>	<b>\$ 40</b>	<b>\$ 217</b>	<b>\$ 105</b>
Less Preferred stock dividend	8	7	16	14
<b>Net income (loss) available to common shareholders</b>	<b>\$ 38</b>	<b>\$ 33</b>	<b>\$ 201</b>	<b>\$ 91</b>
Net income (loss) per common share:				
Basic	\$ 0.17	\$ 0.15	\$ 0.92	\$ 0.42
Diluted	\$ 0.17	\$ 0.15	\$ 0.92	\$ 0.42
Weighted average common shares used in computing net income (loss) per common share:				
Basic	217.2	214.4	218.5	214.4
Diluted	217.3	214.4	218.5	214.4
Cash dividend per common share	\$ 0.01	\$ —	\$ 0.02	\$ —

## RECONCILIATION OF BOOK VALUE PER COMMON SHARE AND BOOK VALUE PER COMMON SHARE EXCLUDING AOCI<sup>(1)</sup>

(In millions, except per share data)	June 30, 2019	December 31, 2018
	(Unaudited)	(Unaudited)
Reconciliation to total shareholders' equity:		
Total shareholders' equity	\$ 2,260	\$ 890
Less: AOCI	251	(937)
Less: Preferred equity	422	406
Total common shareholders' equity excluding AOCI <sup>(1)</sup>	\$ 1,587	\$ 1,421
Total common shares outstanding	217.2	221.1
Weighted average common shares outstanding - basic	217.2	220.9
Weighted average common shares outstanding - diluted	217.3	220.9
Book value per common share including AOCI <sup>(1)</sup>	\$ 8.46	\$ 2.19
Book value per common share excluding AOCI <sup>(1)</sup>	\$ 7.31	\$ 6.43

## RECONCILIATION OF ROE TO ADJUSTED OPERATING ROE<sup>(1)</sup>

	Twelve months ended	
	June 30, 2019	December 31, 2018
	(Unaudited)	(Unaudited)
(Dollars in millions, except per share data)		
Return on average common shareholders' equity	8.2 %	(1.5)%
AOCI	(2.2)%	0.5 %
Return on average common shareholders' equity, excluding AOCI <sup>(1)</sup>	6.0 %	(1.0)%
Aggregate adjustments to arrive at AOI available to common shareholders <sup>(5)</sup>	12.3 %	17.6 %
Adjusted Operating return on common shareholders' equity, excluding AOCI <sup>(1)</sup>	18.3 %	16.6 %

## ROLLFORWARD OF AVERAGE ASSETS UNDER MANAGEMENT (AAUM)<sup>(1)</sup> (Unaudited)

(In billions)	AAUM YTD
AAUM as of June 30, 2018	\$ 25.2
Net new business asset flows	1.7
Block reinsurance transaction	0.9
Reinsurance cession to Kubera	(0.7)
Purchase accounting mark-to-market valuation of investment portfolio	(0.4)
AAUM as of June 30, 2019	\$ 26.7

### Footnotes:

- (1) Non-GAAP financial measure. See the Non-GAAP Measures section below for additional information.
- (2) Amounts are net of offsets related to value of business acquired (VOBA), deferred acquisition cost (DAC), deferred sale inducement (DSI) amortization, and unearned revenue (UREV) amortization, as applicable.
- (3) The Company adjusted its non-GAAP measure to remove the fair value accounting impacts of assumed reinsurance by our international subsidiaries for periods after September 30, 2018.
- (4) Average yield reflects investment book yield on bonds purchased during the quarter. See the Non-GAAP Measures section below for additional information.
- (5) Refer to 'Reconciliation from Net Income (Loss) to AOI' for further details on individual adjustments



## **Non-GAAP Measures**

Management believes that certain non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Reconciliations of such measures to the most comparable GAAP measures are included herein.

The Company updated its AOI definition as to remove the residual impacts of fair value accounting on its FIA products, including gains and losses on derivatives hedging those policies. Management believes the revised measure enhances the understanding of the business post-merger and is more useful and relevant to investors as compared to the previous definition which eliminated only the effects of changes in the interest rates used to discount the FIA embedded derivative.

### ***Adjusted Operating Income (AOI)***

AOI is a non-GAAP economic measure we use to evaluate financial performance each period. AOI is calculated by adjusting net income (loss) to eliminate:

- (i) the impact of net investment gains/losses, including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies,
- (ii) the impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries,
- (iii) the tax effect of affiliated reinsurance embedded derivative,
- (iv) the effect of change in fair value of the reinsurance related embedded derivative,
- (v) the effect of integration, merger related & other non-operating items,
- (vi) impact of extinguishment of debt, and
- (vii) net impact from Tax Cuts and Jobs Act.

Adjustments to AOI are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

Beginning with the quarter ended December 31, 2018, the Company updated its AOI definition to remove the incremental change due to the impact of the fair value accounting election for international subsidiaries. Management believes this revision will enhance the understanding of our business as the Company executes its growth strategy through international third party assumed business and is more relevant to investors as the impact of fair value accounting election can create an increases/decreases in the assumed liabilities that does not match the increase/decrease of the corresponding assets. This change will be applied on a prospective basis as the Company executes its growth strategy through international third party assumed reinsurance.

### ***AOI Available to Common Shareholders***

AOI available to common shareholders is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. AOI available to common shareholders is calculated by adjusting net income (loss) available to common shareholders to eliminate the same items as described in the AOI paragraph above. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do.

### ***Adjusted Operating Return on Common Shareholders' Equity Excluding AOCI***

Adjusted Operating Return on Common Shareholders' Equity Excluding AOCI is calculated by dividing AOI Available to Common Shareholders' by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders Equity, Excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling

average will be updated from the merger date forward to use available historical data points until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of adjusted earned return on common equity.

#### ***Net Investment Spread***

Net investment spread is the excess of net investment income earned over the sum of interest credited to policyholders and the cost of hedging our risk on FIA policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company's invested assets against the level of investment return provided to policyholders, inclusive of hedging costs.

#### ***Average Assets Under Management (AAUM)***

AAUM is the sum of (i) total invested assets at amortized cost, excluding derivatives; (ii) related party loans and investments; (iii) accrued investment income; (iv) funds withheld at fair value; (v) the net payable/receivable for the purchase/sale of investments and (iv) cash and cash equivalents, excluding derivative collateral, at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on assets available for reinvestment.

#### ***Investment Book Yield***

Investment book yield on bonds purchased during the period excludes yield on short-term treasuries and cash and cash equivalents. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return on the Company's income generating invested assets.

#### ***Common Shareholders' Equity***

Common Shareholders' Equity is based on Total Shareholders' Equity excluding Equity Available to Preferred Shareholders. Management considers this to be a useful measure internally and to investors to assess the level of equity that is attributable common stock holders.

#### ***Common Shareholders' Equity Excluding AOCI***

Common Shareholders' Equity Excluding AOCI is based on Common Shareholders' Equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of earned equity on common equity.

#### ***GAAP Book Value per Common Share (including and excluding AOCI)***

GAAP Book Value per Common Share including and excluding AOCI is calculated as Common Shareholders' Equity and Common Shareholders' Equity Excluding AOCI divided by the total number of shares of common stock outstanding. Management considers this to be a useful measure internally and for investors and analysts to assess the capital position of the Company.

#### ***Sales (FIA Sales and Total Retail Annuity Sales)***

Sales are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP. Annuity and IUL sales are recorded as deposit liabilities (i.e. contractholder funds) within the Company's unaudited condensed consolidated financial statements in accordance with GAAP. Management believes that presentation of sales, as measured for management purposes, enhances the understanding of our business and helps depict longer term trends that may not be apparent in the results of operations due to the timing of sales and revenue recognition.

While management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace GAAP financial results and should be read in conjunction with those GAAP results.

## About FGL Holdings

FGL Holdings—the F&G family of insurance companies—is committed to helping Americans prepare for and live comfortably in their retirement. Through its subsidiaries, F&G is a leading provider of annuity and life insurance products. FGL Holdings, domiciled in the Cayman Islands, trades on the New York Stock Exchange under the ticker symbol FG. For more information, please visit [www.fglife.bm](http://www.fglife.bm).

## Forward Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: This document contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in, or implied by, such statements. These statements are based on the beliefs and assumptions of FG's management and the management of FG's subsidiaries (including target businesses). Forward-looking statements are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," or "continues" or similar expressions. Factors that could cause actual results, events and developments to differ include, without limitation: the accuracy of FG's assumptions and estimates; FG's and its insurance subsidiaries' ability to maintain or improve financial strength ratings; FG's ability to manage its business in a highly regulated industry; regulatory changes or actions; the impact of FG's reinsurers failing to meet their assumed obligations; restrictions on FG's ability to use captive reinsurers; the impact of interest rate fluctuations; changes in the federal income tax laws and regulations; litigation (including class action litigation), enforcement investigations or regulatory scrutiny; the performance of third parties; the loss of key personnel; telecommunication, information technology and other operational systems failures; the continued availability of capital; new accounting rules or changes to existing accounting rules; general economic conditions; FG's ability to protect its intellectual property; the ability to maintain or obtain approval of the Iowa Insurance Department and other regulatory authorities as required for FG's operations; FG's ability to successfully acquire new companies and integrate such acquisitions; and other factors discussed in FG's most recent Annual Report on Form 10-K for the year ended December 31, 2017, and its Quarterly Reports on Form 10-Q, which can be found at the SEC's website [www.sec.gov](http://www.sec.gov).

All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. FG does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results, except as required by law.

Investor Contact:  
Jon Bayer  
FGL Holdings  
[Investors@fglife.bm](mailto:Investors@fglife.bm)  
410.487.8898

Source: FGL Holdings

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## Section 3: EX-99.2 (EXHIBIT 99.2)

Exhibit 99.2



Experience  
the Power of  
Collaborative  
Thinking

FGL Holdings ("F&G"; NYSE: FG)  
Investor Supplement  
June 30, 2019  
(Year Ended December 31)

The financial statements and financial exhibits included herein are unaudited. These financial statements and exhibits should be read in conjunction with the Company's periodic reports on Form 10-K, Form 10-Q and Form 8-K.

As disclosed in the Company's Form 10-K for the year ended December 31, 2018, the Company identified immaterial errors during the quarters ended September 30, 2018 and June 30, 2018. Management recorded immaterial out of period adjustments and updated the respective balances previously reported for the quarters ended June 30, 2018 and March 31, 2018 and the period ended December 31, 2017 within the financial statements and financial exhibits included herein. See "Note 2. Significant Accounting Policies and Practices" to our audited consolidated financial statements for additional information.

#### **Non-GAAP Financial Measures**

This document contains certain non-GAAP financial measures commonly used in our industry that, together with the relevant GAAP measures, may enhance a user's ability to analyze the Company's operating performance and capital position for the periods presented. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the GAAP measures.



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## **FGL HOLDINGS**

**Financial Supplement - June 30, 2019**

**(unaudited)**

### **NON-GAAP FINANCIAL MEASURES**

While management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace GAAP financial results and should be read in conjunction with those GAAP results. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do. The following represents the definitions of non-GAAP measures used by the FGL Holdings.

#### ***Adjusted Operating Income (AOI)***

AOI is a non-GAAP economic measure we use to evaluate financial performance each period. AOI is calculated by adjusting net income (loss) to eliminate:

- (i) the impact of net investment gains/losses, including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies,
- (ii) the impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries,
- (iii) the tax effect of affiliated reinsurance embedded derivative,
- (iv) the effect of change in fair value of the reinsurance related embedded derivative,
- (v) the effect of integration, merger related & other non-operating items,
- (vi) impact of extinguishment of debt, and
- (vii) net impact from Tax Cuts and Jobs Act.

Adjustments to AOI are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

Beginning with the quarter ended December 31, 2018, the Company updated its AOI definition to remove the incremental change due to the impact of the fair value accounting election for international subsidiaries. Management believes this revision will enhance the understanding of our business as the Company executes its growth strategy through international third party assumed business and is more relevant to investors as the impact of fair value accounting election can create an increases/decreases in the assumed liabilities that does not match the increase/decrease of the corresponding assets. This change will be applied on a prospective basis as the Company executes its growth strategy through international third party assumed reinsurance.

#### ***AOI Available to Common Shareholders***

AOI available to common shareholders is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. AOI available to common shareholders is calculated by adjusting net income (loss) available to common shareholders to eliminate the same items as described in the AOI paragraph above. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

#### ***Common Shareholders' Equity***

Common Shareholders' Equity is based on Total Shareholders' Equity excluding Equity Available to Preferred Shareholders. Management considers this to be a useful measure internally and to investors to assess the level of equity that is attributable common stock holders.

***Common Shareholders' Equity Excluding AOCI***

Common Shareholders' Equity Excluding AOCI is based on Common Shareholders' Equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of earned equity on common equity.

***Equity Available to Preferred Shareholders***

Equity available to preferred shareholders is equal to the product of (a) the number of preferred shares outstanding plus share dividends declared but not yet issued and (b) the original liquidation preference amount per share. Management considers this non-GAAP measure to provide useful information internally and to investors and analysts to assess the level of equity that is attributable to preferred stock holders.

***Total Capitalization Excluding AOCI***

Total Capitalization Excluding AOCI is based on shareholders' equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts to help assess the capital position of the Company.

***GAAP Book Value per Common Share (including and excluding AOCI)***

GAAP Book Value per Common Share including and excluding AOCI is calculated as Common Shareholders' Equity and Common Shareholders' Equity Excluding AOCI divided by the total number of shares of common stock outstanding. Management considers this to be a useful measure internally and for investors and analysts to assess the capital position of the Company.

***Statutory Book Value per Common Share (including and excluding Interest maintenance reserve ("IMR") and asset valuation reserve ("AVR"))***

Statutory Book Value per Common Share including IMR and AVR is calculated as Fidelity & Guaranty Life Insurance Company ("FGL Insurance")'s statutory basis capital and surplus plus the international insurance entities' common shareholder's equity and related distributable capital, excluding AOCI divided by the total number of shares of common stock outstanding at FGL Holdings. Statutory Book Value per Common Share excluding IMR and AVR is calculated as FGL Insurance's statutory basis capital and surplus excluding IMR and AVR plus the international insurance entities' common shareholder's equity and related distributable capital, excluding AOCI, divided by the total number of shares of common stock outstanding at FGL Holdings. Management considers this to be a useful measure internally and for investors and analysts to assess the capital position of our primary insurance entities.

***Return on Average Common Shareholders' Equity***

Return on Average Common Shareholders' Equity is calculated by dividing net income (loss) available to common shareholders by total average Common Shareholders' Equity. Average Common Shareholders' Equity for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders' Equity is calculated using the beginning and ending Common Shareholders' Equity for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this to be a useful measure internally and for investors and analysts to assess the level of return driven by the Company that is attributable to common shareholders.

***Return on Average Common Shareholders' Equity Excluding AOCI***

Return on Average Common Shareholders' Equity Excluding AOCI is calculated by dividing net income (loss) available to common shareholders by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders' Equity Excluding AOCI is calculated using the beginning and ending Common Shareholders' Equity, excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average

## **FGL HOLDINGS**

### **Financial Supplement - June 30, 2019**

#### **(unaudited)**

Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this to be a useful measure internally and for investors and analysts to assess the level of return driven by the Company that is attributable to common shareholders.

#### ***Adjusted Operating Return on Average Common Shareholders' Equity Excluding AOCI***

Adjusted Operating Return on Common Shareholders' Equity Excluding AOCI is calculated by dividing AOI Available to Common Shareholders' by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders Equity, Excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of adjusted earned return on common equity.

#### ***Debt-to-Capital excluding AOCI***

Debt-to-capital ratio is computed by dividing total debt by total capitalization excluding AOCI. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing its capital position.

#### ***Rating Agency Adjusted Debt to Capitalization, excluding AOCI***

Rating Agency Adjusted Debt to Capitalization, excluding AOCI is computed by dividing the sum of total debt and 50% Equity Available to Preferred Shareholders by total capitalization excluding AOCI less a 50% credit for Equity Available to Preferred Shareholders. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing its capital position.

#### ***Average Assets Under Management (AAUM)***

AAUM is the sum of (i) total invested assets at amortized cost, excluding derivatives; (ii) related party loans and investments; (iii) accrued investment income; (iv) funds withheld at fair value; (v) the net payable/receivable for the purchase/sale of investments and (iv) cash and cash equivalents, excluding derivative collateral, at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on assets available for reinvestment.

#### ***Yield on AAUM***

Yield on AAUM is calculated by dividing annualized net investment income by AAUM. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.

#### ***Net Investment Spread***

Net investment spread is the excess of net investment income earned over the sum of interest credited to policyholders and the cost of hedging our risk on FIA policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company's invested assets against the level of investment return provided to policyholders, inclusive of hedging costs.

#### ***Investment Book Yield***

Investment book yield on bonds purchased during the period excludes yield on short-term treasuries and cash and cash equivalents. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return on the Company's income generating invested assets.

**FGL HOLDINGS**  
**Consolidated Financial Highlights**

	Three months ended				Six months ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>(Dollars in millions, except per share data)</b>						
<b>Revenues:</b>						
Premiums	\$ 8	\$ 16	\$ 9	\$ 12	\$ 15	\$ 24
Net investment income	315	289	295	267	282	604
Net investment gains (losses)	135	240	(555)	119	(2)	375
Insurance and investment product fees and other	37	55	40	46	45	92
<b>Total revenues</b>	<b>495</b>	<b>600</b>	<b>(211)</b>	<b>444</b>	<b>340</b>	<b>1,095</b>
<b>Net income (loss)</b>	<b>\$ 46</b>	<b>\$ 171</b>	<b>\$ (148)</b>	<b>\$ 56</b>	<b>\$ 40</b>	<b>\$ 217</b>
Adjusted Operating Income ("AOI") (1)	\$ 73	\$ 90	\$ 84	\$ 69	\$ 65	\$ 163
Dividends on preferred stock	(8)	(8)	(8)	(7)	(7)	(16)
AOI available to common shareholders	65	82	76	62	58	147
<b>Per Unrestricted Common Shares Amounts:</b>						
<b>Basic:</b>						
Net income (loss) available to common shareholders	\$ 0.17	\$ 0.74	\$ (0.70)	\$ 0.23	\$ 0.15	\$ 0.92
AOI available to common shareholders (1)	\$ 0.30	\$ 0.37	\$ 0.34	\$ 0.29	\$ 0.27	\$ 0.67
<b>Diluted:</b>						
Net income (loss) available to common shareholders	\$ 0.17	\$ 0.74	\$ (0.70)	\$ 0.23	\$ 0.15	\$ 0.92
AOI available to common shareholders (1)	\$ 0.30	\$ 0.37	\$ 0.34	\$ 0.29	\$ 0.27	\$ 0.67
Dividends Paid to Common Shareholders Per Share	\$ 0.01	\$ 0.01	\$ —	\$ —	\$ —	\$ 0.02

**FGL HOLDINGS**  
**Financial Supplement - June 30, 2019**  
**(unaudited)**

	Three months ended					Six months ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>At Period End</b>							
Cash and cash equivalents	\$ 772	\$ 1,357	\$ 571	\$ 944	\$ 1,710	\$ 772	\$ 1,710
Total investments	\$ 26,679	\$ 24,510	\$ 23,917	\$ 24,411	\$ 22,860	\$ 26,679	\$ 22,860
Total assets	\$ 35,098	\$ 32,446	\$ 30,945	\$ 30,960	\$ 30,004	\$ 35,098	\$ 30,030
Contractholder funds	\$ 24,828	\$ 23,881	\$ 23,387	\$ 23,164	\$ 22,504	\$ 24,828	\$ 22,574
Future policy benefits	\$ 5,641	\$ 4,677	\$ 4,641	\$ 4,631	\$ 4,710	\$ 5,641	\$ 4,710
Debt (including revolving credit facility)	\$ 542	\$ 541	\$ 541	\$ 540	\$ 540	\$ 542	\$ 540
Total equity	\$ 2,260	\$ 1,751	\$ 890	\$ 1,474	\$ 1,382	\$ 2,260	\$ 1,338
Total equity excluding Accumulated Other Comprehensive Income (AOCI)	\$ 2,009	\$ 1,967	\$ 1,827	\$ 2,043	\$ 1,985	\$ 2,009	\$ 1,941
Common shares issued and outstanding	217.19	217.33	221.06	214.37	214.37	217.19	214.37
GAAP Book value per common share (1)	\$ 8.46	\$ 6.15	\$ 2.19	\$ 5.02	\$ 4.62	\$ 8.46	\$ 4.42
GAAP Book value per common share excluding AOCI (1)	\$ 7.31	\$ 7.15	\$ 6.43	\$ 7.67	\$ 7.44	\$ 7.31	\$ 7.23
Debt to total Capitalization excluding AOCI (1)	21.5%	21.9%	23.1 %	21.2%	21.7%	21.5%	22.1%
Return on average common shareholders' equity excluding AOCI (1)	9.7%	43.8%	(40.7)%	12.1%	8.4%	6.0%	7.6%
Statutory Book value per share (1) (2)	\$ 8.63	\$ 8.56	\$ 8.15	\$ 8.83	\$ 8.87	\$ 8.63	\$ 8.87
Statutory Book value per share excluding IMR and AVR (1) (2)	\$ 11.33	\$ 11.28	\$ 10.78	\$ 11.65	\$ 11.58	\$ 11.33	\$ 11.58

(1) Refer to "Non-GAAP Financial Measures" for further details

(2) Statutory book value per share measures reflect an increase in the share count at December 31, 2018 as a result of the tender of warrants on our common stock. The book value of our international subsidiaries and statutory per share measures have been true-up in prior periods to be more representative of our combined regulatory capital position.

**FGL HOLDINGS**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(In millions, except per share data)*

	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>ASSETS</b>					
<b>Investments:</b>					
Fixed maturity securities, available-for-sale, at fair value (amortized cost: June 30, 2019 - \$22,954; December 31, 2018 - \$22,219)	\$ 23,362	\$ 21,605	\$ 21,109	\$ 21,421	\$ 20,326
Equity securities, at fair value (cost: June 30, 2019 - \$1,174; December 31, 2018 - \$1,526)	1,144	1,171	1,382	1,440	1,344
Derivative investments	383	305	97	432	312
Short term investments	—	—	—	15	—
Mortgage loans	760	674	667	497	525
Other invested assets	1,030	755	662	606	353
<b>Total investments</b>	<b>26,679</b>	<b>24,510</b>	<b>23,917</b>	<b>24,411</b>	<b>22,860</b>
Cash and cash equivalents	772	1,357	571	944	1,710
Accrued investment income	232	238	216	230	215
Funds withheld for reinsurance receivables, at fair value	1,922	837	757	708	769
Reinsurance recoverable	3,264	3,113	3,190	2,460	2,476
Intangibles, net	1,421	1,421	1,359	1,205	1,070
Deferred tax assets, net	150	283	343	285	283
Goodwill	467	467	467	467	467
Other assets	191	220	125	250	154
<b>Total assets</b>	<b>\$ 35,098</b>	<b>\$ 32,446</b>	<b>\$ 30,945</b>	<b>\$ 30,960</b>	<b>\$ 30,004</b>

**FGL HOLDINGS**
**Financial Supplement - June 30, 2019**
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	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Contractholder funds (a)	\$ 24,828	\$ 23,881	\$ 23,387	\$ 23,164	\$ 22,504
Future policy benefits, including \$1,787 and \$725 at fair value at June 30, 2019 and December 31, 2018, respectively (b)	5,641	4,677	4,641	4,631	4,710
Funds withheld for reinsurance liabilities	839	653	722	3	2
Liability for policy and contract claims (c)	66	70	64	60	74
Debt	542	541	541	540	540
Other liabilities	922	873	700	1,088	792
<b>Total liabilities</b>	<b>32,838</b>	<b>30,695</b>	<b>30,055</b>	<b>29,486</b>	<b>28,622</b>
<b>Shareholders' equity:</b>					
Preferred stock (\$.0001 par value, 100,000,000 shares authorized, 414,126 and 399,033 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively)	—	—	—	—	—
Common stock (\$.0001 par value, 800,000,000 shares authorized, 221,660,974 issued and outstanding at June 30, 2019 and December 31, 2018)	—	—	—	—	—
Additional paid-in capital	2,014	2,007	1,998	2,056	2,047
Retained earnings (Accumulated deficit)	30	(6)	(167)	(13)	(62)
Accumulated other comprehensive income (loss)	251	(216)	(937)	(569)	(603)
Treasury stock, at cost (4,475,919 shares at June 30, 2019; 600,000 shares at December 31, 2018)	(35)	(34)	(4)	—	—
<b>Total shareholders' equity</b>	<b>2,260</b>	<b>1,751</b>	<b>890</b>	<b>1,474</b>	<b>1,382</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 35,098</b>	<b>\$ 32,446</b>	<b>\$ 30,945</b>	<b>\$ 30,960</b>	<b>\$ 30,004</b>
<b>Equity attributable to preferred shareholders (1)</b>	<b>\$ 422</b>	<b>\$ 414</b>	<b>\$ 406</b>	<b>\$ 398</b>	<b>\$ 391</b>

(1) Refer to "Non-GAAP Financial Measures" for further details

(a) Contractholder funds include amounts on deposit for annuity and universal life contracts plus the fair value of future index credits and guarantees on our FIA and IUL products.

(b) Future policy benefits include the present value of future benefits on our traditional life insurance products, life contingent SPIA contracts, long-term care block and offshore reinsurance annuity products.

(c) Liability for policy and contract claims represents policyholder pending claims.



**FGL HOLDINGS**  
**Financial Supplement - June 30, 2019**  
**(unaudited)**

**Quarterly Summary - Most Recent 5 Quarters**

	Three months ended					Six months ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Dollars in millions, except per share data)							
<b>Revenues:</b>							
Traditional life insurance premiums	\$ 7	\$ 8	\$ 7	\$ 7	\$ 7	\$ 15	\$ 16
Life contingent immediate annuity	1	8	2	5	8	9	17
Net investment income	315	289	295	267	282	604	545
Net investment gains (losses)	135	240	(555)	119	(2)	375	(193)
Surrender charges	8	8	9	9	12	16	26
Cost of insurance fees and other income	29	47	31	37	33	76	67
<b>Total revenues</b>	<b>495</b>	<b>600</b>	<b>(211)</b>	<b>444</b>	<b>340</b>	<b>1,095</b>	<b>478</b>
<b>Benefits and expenses:</b>							
Traditional life insurance policy benefits and change in future policy benefits	22	18	20	17	22	40	40
Life contingent immediate annuity benefits and changes in future policy benefits	15	5	12	13	13	20	31
Interest sensitive and index product benefits and changes in future policy benefits	231	316	(84)	267	182	547	107
General expenses	44	31	47	31	37	75	72
Acquisition expenses	207	103	106	94	94	310	148
Deferred acquisition costs ("DAC")	(104)	(90)	(98)	(85)	(85)	(194)	(134)
Amortization of intangibles	13	29	(23)	28	17	42	44
<b>Total benefits and expenses</b>	<b>428</b>	<b>412</b>	<b>(20)</b>	<b>365</b>	<b>280</b>	<b>840</b>	<b>308</b>
<b>Operating income</b>	<b>67</b>	<b>188</b>	<b>(191)</b>	<b>79</b>	<b>60</b>	<b>255</b>	<b>170</b>
Interest expense	(8)	(8)	(8)	(8)	(7)	(16)	(13)
<b>Income before income taxes</b>	<b>59</b>	<b>180</b>	<b>(199)</b>	<b>71</b>	<b>53</b>	<b>239</b>	<b>157</b>
Income tax expense	(13)	(9)	51	(15)	(13)	(22)	(52)
<b>Net income (loss)</b>	<b>\$ 46</b>	<b>\$ 171</b>	<b>\$ (148)</b>	<b>\$ 56</b>	<b>\$ 40</b>	<b>\$ 217</b>	<b>\$ 105</b>
Less Preferred stock dividend	8	8	8	7	7	16	14
<b>Net income (loss) available to common shareholders</b>	<b>\$ 38</b>	<b>\$ 163</b>	<b>\$ (156)</b>	<b>\$ 49</b>	<b>\$ 33</b>	<b>\$ 201</b>	<b>\$ 91</b>
<b>Net income (loss) per common share:</b>							
Basic	\$ 0.17	\$ 0.74	\$ (0.70)	\$ 0.23	\$ 0.15	\$ 0.92	\$ 0.42
Diluted	\$ 0.17	\$ 0.74	\$ (0.70)	\$ 0.23	\$ 0.15	\$ 0.92	\$ 0.42
<b>Weighted average common shares used in computing net income (loss) per common share:</b>							
Basic	217.19	219.65	220.91	214.37	214.37	218.48	214.37
Diluted	217.26	219.68	220.91	214.42	214.38	218.54	214.38

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**Reconciliation from Net Income (Loss) to AOI**

	Three months ended					Six months ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Dollars in millions, except per share data)							
Net income (loss)	\$ 46	\$ 171	\$ (148)	\$ 56	\$ 40	\$ 217	\$ 105
<b>Adjustments to arrive at AOI:</b>							
Effect of investment losses (gains), net of offsets (a)	(22)	(70)	174	38	37	(92)	76
Impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries (a) (b)	69	(17)	77	(30)	(9)	52	(72)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a)	(10)	19	—	—	—	9	—
Effect of integration, merger related & other non-operating items	(3)	(3)	25	4	3	(6)	11
Effects of extinguishment of debt	—	—	—	—	(2)	—	(2)
Tax effect of affiliated reinsurance embedded derivative	—	—	(15)	—	—	—	15
Net impact of Tax Cuts and Jobs Act (c)	—	—	—	3	—	—	—
Tax impact of adjusting items	(7)	(10)	(29)	(2)	(4)	(17)	—
<b>AOI</b>	<b>\$ 73</b>	<b>\$ 90</b>	<b>\$ 84</b>	<b>\$ 69</b>	<b>\$ 65</b>	<b>\$ 163</b>	<b>\$ 133</b>
Dividends on preferred stock	(8)	(8)	(8)	(7)	(7)	(16)	(14)
<b>AOI available to common shareholders</b>	<b>\$ 65</b>	<b>\$ 82</b>	<b>\$ 76</b>	<b>\$ 62</b>	<b>\$ 58</b>	<b>\$ 147</b>	<b>\$ 119</b>

**Per diluted common share:**

Net income (loss) available to common shareholders	\$ 0.17	\$ 0.74	\$ (0.70)	\$ 0.23	\$ 0.15	\$ 0.92	\$ 0.42
<b>Adjustments to arrive at AOI:</b>							
Effect of investment (gains) losses, net of offsets (a)	(0.10)	(0.32)	0.78	0.18	0.17	(0.42)	0.35
Impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries (a) (b)	0.32	(0.08)	0.35	(0.14)	(0.04)	0.24	(0.33)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a)	(0.05)	0.09	—	—	—	0.04	—
Effect of integration, merger related & other non-operating items	(0.01)	(0.01)	0.11	0.02	0.01	(0.03)	0.05
Effects of extinguishment of debt	—	—	—	—	(0.01)	—	(0.01)
Tax effect of affiliated reinsurance embedded derivative	—	—	(0.07)	—	—	—	0.07
Net impact of Tax Cuts and Jobs Act (c)	—	—	—	0.01	—	—	—
Tax impact of adjusting items	(0.03)	(0.05)	(0.13)	(0.01)	(0.01)	(0.08)	—
<b>AOI available to common shareholders per diluted share</b>	<b>\$ 0.30</b>	<b>\$ 0.37</b>	<b>\$ 0.34</b>	<b>\$ 0.29</b>	<b>\$ 0.27</b>	<b>\$ 0.67</b>	<b>\$ 0.55</b>

(a) Amounts are net of offsets related to value of business acquired ("VOBA"), deferred acquisition cost ("DAC"), deferred sale inducement ("DSI"), unearned revenue ("UREV") amortization and cost of reinsurance intangible, as applicable.

(b) The updated definition of AOI removes the fair value impacts of assumed reinsurance by our international subsidiaries for periods after September 30, 2018.

(c) The Company recorded an immaterial out of period adjustment related to the December 1, 2017 fair value of the deferred income tax valuation allowance acquired from the Business Combination. See "Note 2. Significant Accounting Policies and Practices" of the Company's Form 10-K for additional information.

**Summary of Adjustments to Arrive at AOI**

	Three months ended					Six months ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

(Dollars in millions)

**Revenue:**

Insurance and investment product fees and other (a)	\$ 3	\$ (8)	\$ —	\$ —	\$ —	\$ (5)	\$ —
Net investment gains (losses) (b)	(124)	(221)	493	(92)	(3)	(345)	160
Increase (decrease) in total revenues	(121)	(229)	493	(92)	(3)	(350)	160

**Benefits and expenses:**

Benefits and other changes in policy reserves (c)	175	161	(182)	105	39	336	(149)
Acquisition and operating expenses, net of deferrals	(3)	(3)	12	(1)	3	(6)	11
Amortization of intangibles (d)	(17)	—	(47)	—	(8)	(17)	(7)
(Decrease) increase in total benefits and expenses	155	158	(217)	104	34	313	(145)
Increase (decrease) in pre-tax operating income	34	(71)	276	12	31	(37)	15
(Decrease) increase in interest expense	—	—	—	—	(2)	—	(2)
(Decrease) increase in income tax expense (benefit) (e)	(7)	(10)	(44)	1	(4)	(17)	15
Increase (decrease) in net income	\$ 27	\$ (81)	\$ 232	\$ 13	\$ 25	\$ (54)	\$ 28

(a) Insurance and investment product fees and other: includes the effect of contract fee termination.

(b) Net investment gains (losses): includes the effect of net investment gains (losses) including OTTI, changes in fair values of FIA related derivatives and embedded derivatives, net of hedging costs. For periods after September 30, 2018, effects of net investment gains include the change in fair value of the reinsurance related embedded derivative.

(c) Benefits and other changes in policy reserves: includes the effects of the changes in fair values of FIA embedded derivatives and the fair value impacts of assumed reinsurance by our international subsidiaries.

(d) Amortization of intangibles includes the impact on DAC, VOBA, DSI and cost of reinsurance of the adjustments in b-c above.

(e) The tax expense (benefit) includes the tax impact, as appropriate by tax jurisdiction, of the adjustments in a-d above and the impact of tax reform and the impact of affiliated reinsurance embedded derivative.

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**Notable Items Included in Net Income (Loss) and AOI**

Each quarterly reporting period, we identify notable items that help explain the trends in our Net income (loss) and AOI. The amounts below are included in disclosures within the Company's earnings releases to explain our Net income (loss) and AOI results as we believe these items provide further clarity to the financial performance of the business.

	Three months ended					Six months ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Dollars in millions)						
<b>Net income (loss)</b>	\$ 46	\$ 171	\$ (148)	\$ 56	\$ 40	\$ 217	\$ 105
<b>AOI</b>	\$ 73	\$ 90	\$ 84	\$ 69	\$ 65	\$ 163	\$ 133
<b>Notable Items (Not Trendable) Included within AOI and Net income (loss) [(unfavorable)/favorable]</b>							
Project expenses (a)	(11)	(2)	(2)	—	(3)	(13)	(3)
Single premium immediate annuities ("SPIA") mortality & other reserve adjustments (b)	3	14	4	5	5	17	13
Assumption review & DAC, VOBA, DSI and cost of reinsurance unlocking (c)	—	—	(4)	5	—	—	—
Bond prepay income / other (d)	4	5	15	—	4	9	4

(a) Project related expenses.

(b) The release of annuity reserves associated with mortality of annuitants, which varies due to timing, volume and severity of experience, and other reserve adjustments.

(c) Reflects unlocking from updating our DAC, VOBA, DSI and cost of reinsurance amortization models for actual experience and equity market fluctuations. Also, annually in the 3rd calendar quarter, we complete our Annual Assumption Review & Unlocking process by adjusting our valuation assumptions to align with actual experience.

(d) Bond prepayment income, changes in tax valuation, and other allowances related to reinsurance and agent debt, reinsurance settlements and other net favorable activity.

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**Capitalization/Book Value per Share**

	<b>June 30, 2019</b>	<b>March 31, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>	<b>June 30, 2018</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
(Dollars in millions, except per share data)					
<b>Capitalization:</b>					
Debt	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550
<b>Total debt</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b>Total shareholders' equity</b>	<b>2,260</b>	<b>1,751</b>	<b>890</b>	<b>1,474</b>	<b>1,382</b>
<b>Total capitalization</b>	<b>2,810</b>	<b>2,301</b>	<b>1,440</b>	<b>2,024</b>	<b>1,932</b>
AOCI	251	(216)	(937)	(569)	(603)
Total capitalization excluding AOCI (1)	<u>\$ 2,559</u>	<u>\$ 2,517</u>	<u>\$ 2,377</u>	<u>\$ 2,593</u>	<u>\$ 2,535</u>
Total shareholders' equity	2,260	1,751	890	1,474	1,382
Equity available to preferred shareholders	422	414	406	398	391
Common shareholders' equity	1,838	1,337	484	1,076	991
AOCI	251	(216)	(937)	(569)	(603)
Total common shareholders' equity excluding AOCI (1)	<u>\$ 1,587</u>	<u>\$ 1,553</u>	<u>\$ 1,421</u>	<u>\$ 1,645</u>	<u>\$ 1,594</u>
Common shares outstanding	217.19	217.33	221.06	214.37	214.37
<b>Book Value per Share: (1)</b>					
GAAP Book value per common share including AOCI (1)	\$ 8.46	\$ 6.15	\$ 2.19	\$ 5.02	\$ 4.62
GAAP Book value per common share excluding AOCI (1)	\$ 7.31	\$ 7.15	\$ 6.43	\$ 7.67	\$ 7.44
<b>Debt-to-Capital Ratios: (1)</b>					
Total Debt to Capitalization, excluding AOCI (1)	21.5%	21.9%	23.1 %	21.2%	21.7%
Rating Agency Adjusted Debt to Capitalization, excluding AOCI (1)	29.7%	30.1%	31.7 %	28.9%	29.4%

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Twelve Month Rolling Average Return on Equity ("ROE")	Twelve months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Return on average common shareholders' equity	8.2%	10.3%	(1.5)%	15.1%	14.1%
Return on average common shareholders' equity, excluding AOCI (1)	6.0%	5.7%	(1.0)%	11.8%	11.7%
Adjusted Operating return on common shareholders' equity, excluding AOCI (1)	18.3%	17.9%	16.6%	15.3%	15.3%

Quarterly Average ROE	Three months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Return on average common shareholders' equity	9.6%	71.6%	(80.0)%	19.0%	11.6%
Return on average common shareholders' equity, excluding AOCI (1)	9.7%	43.8%	(40.7)%	12.1%	8.4%
Adjusted Operating return on common shareholders' equity, excluding AOCI (1)	16.6%	22.1%	19.8%	15.3%	14.7%

Reconciliation of ROE to Adjusted Operating ROE	Twelve months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Return on average common shareholders' equity	8.2 %	10.3 %	(1.5)%	15.1 %	14.1 %
AOCI	(2.2)%	(4.6)%	0.5 %	(3.3)%	(2.4)%
Return on average common shareholders' equity, excluding AOCI (1)	6.0 %	5.7 %	(1.0)%	11.8 %	11.7 %
Aggregate adjustments to arrive at AOI available to common shareholders (2)	12.3 %	12.2 %	17.6 %	3.5 %	3.6 %
Adjusted Operating return on common shareholders' equity, excluding AOCI (1)	18.3 %	17.9 %	16.6 %	15.3 %	15.3 %

	Three months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Return on average common shareholders' equity	9.6 %	71.6 %	(80.0)%	19.0 %	11.6 %
AOCI	0.1 %	(27.8)%	39.3 %	(6.9)%	(3.2)%
Return on average common shareholders' equity, excluding AOCI (1)	9.7 %	43.8 %	(40.7)%	12.1 %	8.4 %
Aggregate adjustments to arrive at AOI available to common shareholders (2)	6.9 %	(21.7)%	60.5 %	3.2 %	6.3 %
Adjusted Operating return on common shareholders' equity, excluding AOCI (1)	16.6 %	22.1 %	19.8 %	15.3 %	14.7 %

(1) Refer to "Non-GAAP Financial Measures" for further details

(2) Refer to "Reconciliation from Net Income (Loss) to AOI" for further details on individual adjustments

**Financial Strength Ratings**

	<u>A.M. Best</u>	<u>Fitch</u>	<u>Moody's</u>	<u>S&amp;P</u>
<b>Holding Company Ratings</b>				
FGL Holdings				
Issuer Credit / Default Rating	Not Rated	BB+	Ba3	BB+
Outlook		Positive	Stable	Positive
CF Bermuda Holdings Limited				
Issuer Credit / Default Rating	Not Rated	BB+	Ba2	BB+
Outlook		Positive	Stable	Positive
Fidelity & Guaranty Life Holdings, Inc.				
Issuer Credit / Default Rating	bbb-	BB+	Not Rated	BB+
Outlook	Stable	Positive	Not Rated	Positive
Senior Unsecured Notes	bbb-	BB	Ba2	BB+
Outlook	Stable	Positive	Stable	
<b>Operating Subsidiary Ratings</b>				
Fidelity & Guaranty Life Insurance Company				
Financial Strength Rating	A-	BBB	Baa2	BBB+
Outlook	Stable	Positive	Stable	Stable
Fidelity & Guaranty Life Insurance Company of New York				
Financial Strength Rating	A-	BBB	Not Rated	BBB+
Outlook	Stable	Positive	Not Rated	Stable
F&G Reinsurance Ltd				
Financial Strength Rating	A-	BBB-	Not Rated	Not Rated
Outlook	Stable	Stable	Not Rated	Not Rated
F&G Life Re Ltd				
Financial Strength Rating	Not Rated	BBB	Baa2	BBB+
Outlook		Positive	Stable	Stable

\*Reflects current ratings and outlooks as of date of filing

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**Net Investment Spread Results**

(Dollars in millions)	Three months ended		Six months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Yield on average assets under management "AAUM" (1)	4.60 %	4.42 %	4.52 %	4.32 %
Less: Interest credited and option cost	(2.34)%	(2.34)%	(2.31)%	(2.34)%
Total product net investment spread (1)	2.26 %	2.08 %	2.21 %	1.98 %
FIA net investment spread	2.84 %	2.54 %	2.67 %	2.46 %
Gross investment book yield - bonds purchased during the period (1)	5.15 %	5.47 %	5.20 %	5.08 %
Net investment book yield - bonds purchased during the period (1)	4.75 %	5.07 %	4.79 %	4.86 %
AAUM (1)	\$ 27,388	\$ 25,491	\$ 26,696	\$ 25,224

(1) Refer to "Non-GAAP Financial Measures" for further details

**Total Product Net Investment Spread**

(Dollars in millions)	Three months ended		Six months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net investment income	\$ 315	\$ 282	\$ 604	\$ 545
AAUM	27,388	25,491	26,696	25,224
Yield	4.60 %	4.42 %	4.52 %	4.32 %
Interest credits, less DSI	\$ 82	\$ 85	\$ 149	\$ 157
Option & futures costs	62	44	124	96
Total interest credited and option costs	\$ 144	\$ 129	\$ 273	\$ 253
Average account value	24,568	21,909	23,625	21,658
Interest credited & option cost	2.34 %	2.34 %	2.31 %	2.34 %
Net investment spread	2.26 %	2.08 %	2.21 %	1.98 %



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**FIA Net Investment Spread**

(Dollars in millions)

	Three months ended		Six months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net investment income	\$ 197	\$ 168	\$ 375	\$ 333
AAUM	16,648	14,963	16,392	15,085
Yield	4.73 %	4.50 %	4.57 %	4.41 %
Interest credits, less DSI	\$ 13	\$ 27	\$ 25	\$ 44
Option & futures costs	62	44	124	96
Total interest credited and option costs	\$ 75	\$ 71	\$ 149	\$ 140
Average account value	15,850	14,468	15,668	14,355
Interest credited & option cost	1.89 %	1.96 %	1.90 %	1.95 %
Net investment spread	2.84 %	2.54 %	2.67 %	2.46 %

**Sales Results by Product**

(Dollars in millions)

	Three months ended					Six months ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Fixed index annuities (FIA)	\$ 767	\$ 668	\$ 667	\$ 631	\$ 549	\$ 1,435	\$ 985
Fixed rate annuities (MYGA)	263	280	185	211	220	543	362
Institutional spread based	92	105	105	—	—	197	200
Total annuity	\$ 1,122	\$ 1,053	\$ 957	\$ 842	\$ 769	\$ 2,175	\$ 1,547
Index universal life	10	8	8	7	7	18	13
Flow reinsurance	104	60	53	45	54	164	87
Total Sales	\$ 1,236	\$ 1,121	\$ 1,018	\$ 894	\$ 830	\$ 2,357	\$ 1,647

(1) Institutional spread based product sales from funding agreement investment contracts issued with the Federal Home Loan Bank and held in our separate account.

**Annuity Account Balance Rollforward (a)**

(Dollars in millions)

	Three months ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Account balances at beginning of period:	\$ 19,191	\$ 18,927	\$ 19,335	\$ 18,769	\$ 18,326
Net deposits	1,047	921	884	845	756
Premium and interest bonuses	16	16	17	14	14
Fixed interest credited and index credits	95	64	99	148	143
Guaranteed product rider fees	(27)	(26)	(27)	(21)	(23)
Surrenders, withdrawals, deaths, etc.	(436)	(711)	(624)	(420)	(447)
Reinsurance treaty cession	(185)	—	(758)	—	—
Account balance at end of period	<u>\$ 19,701</u>	<u>\$ 19,191</u>	<u>\$ 18,926</u>	<u>\$ 19,335</u>	<u>\$ 18,769</u>

(a) The rollforward reflects the vested account balance of our fixed index annuities and fixed rate annuities, net of reinsurance.

**Deferred Annuity Rider Reserve Summary**

(Dollars in millions)

	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	Rider reserve	\$ 244	\$ 227	\$ 211	\$ 193
Account value with rider reserves	10,365	9,924	9,593	9,177	8,758
Rider reserves as a percentage of account value with rider reserves	2.3%	2.3%	2.2%	2.1%	2.1%

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**Annuity Deposits by Product Type**

Product Type	Three months ended		Six months ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Dollars in millions)		(Dollars in millions)	
Fixed Index Annuities:				
Index Strategies	\$ 685	\$ 446	\$ 1,243	\$ 782
Fixed Strategy	96	86	177	154
	781	532	1,420	936
Fixed Rate Annuities:				
Single-Year Rate Guaranteed	1	2	6	3
Multi-Year Rate Guaranteed	265	222	543	365
Total before coinsurance ceded	1,047	756	1,969	1,304
Coinsurance ceded	—	—	1	—
Net after coinsurance ceded	\$ 1,047	\$ 756	\$ 1,968	\$ 1,304

**Surrender Charge Protection and Account Values by Product Type**

Annuity Surrender Charges and Account Values (net of reinsurance) at June 30, 2019 (unaudited):

Product Type	Surrender Charge			Net Account Value	
	(Unaudited)				
	Avg. Years at Issue	Avg. Years Remaining	Avg. % Remaining	Dollars in millions	%
Fixed Index Annuities	11	6	8%	\$ 16,083	82%
Single-Year Rate Guaranteed	10	1	1%	299	1%
Multi-Year Rate Guaranteed	5	4	7%	3,319	17%
Total				\$ 19,701	100%

Annuity Liability Characteristics

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	(Unaudited)	
	(Dollars in millions)	
<b><u>SURRENDER CHARGE PERCENTAGES:</u></b>		
No surrender charge	\$ 392	\$ 2,340
0.0% < 2.0%	9	71
2.0% < 4.0%	21	356
4.0% < 6.0%	331	1,105
6.0% < 8.0%	942	1,998
8.0% < 10.0%	1,910	3,406
10.0% or greater	13	6,807
	<u>\$ 3,618</u>	<u>\$ 16,083</u>

	Fixed and Fixed Index Annuities Account Value	Weighted Average Surrender Charge
	(Unaudited)	
	(Dollars in millions)	
<b><u>SURRENDER CHARGE EXPIRATION BY YEAR:</u></b>		
Out of surrender charge	\$ 2,608	—%
2019	516	4%
2020 - 2021	3,161	6%
2022 - 2023	2,722	8%
2024 - 2025	3,658	9%
Thereafter	7,036	11%
	<u>\$ 19,701</u>	<u>8%</u>

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**Fixed Annuities Account Value**  
**Fixed Index Annuities Account Value**  
**(Unaudited)**  
**(Dollars in millions)**

**CREDITED RATE (INCLUDING BONUS INTEREST) VS. ULTIMATE MINIMUM GUARANTEED RATE DIFFERENTIAL:**

No differential	\$ 528	\$ 1,315
0.0% - 1.0%	200	1,367
1.0% - 2.0%	385	46
2.0% - 3.0%	2,505	5
Allocated to index strategies	—	13,350
	<u>\$ 3,618</u>	<u>\$ 16,083</u>

**FIXED INDEX ANNUITIES ACCOUNT VALUE - INDEX STRATEGIES**

**Monthly Average, Point to Point and Gain Trigger Strategies with Cap**

	<b>Minimum Guaranteed Cap</b>				
	<b>(Unaudited)</b>				
	1%	2%	3%	5%	6%
<b>Current Cap</b>	<b>(Dollars in millions)</b>				
At minimum	\$ —	\$ —	\$ 1,642	\$ 549	\$ 4
2-3%	1,254	—	—	—	—
3-4%	1,184	—	289	—	—
4-5%	440	—	190	—	—
5-6%	294	4	28	1	—
6-7%	117	4	30	—	3
7% +	136	70	198	—	66
<b>Total:</b>	<u>\$ 3,425</u>	<u>\$ 78</u>	<u>\$ 2,377</u>	<u>\$ 550</u>	<u>\$ 73</u>

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**Monthly Point-to-Point with Cap**

	<b>Minimum Guaranteed Cap 1%</b>
	<b>(Unaudited)</b>
	<b>(Dollars in millions)</b>
<b>Current Cap</b>	
At minimum	\$ 2,230
1% to 2%	2,658
2% to 3%	545
3% +	100
<b>Total:</b>	<b>\$ 5,533</b>

**3 Year Step Forward with Cap**

	<b>Minimum Guaranteed Cap 2%</b>	<b>Minimum Guaranteed Cap 5%</b>
	<b>(Unaudited)</b>	
	<b>(Dollars in millions)</b>	
<b>Current Cap</b>		
At minimum	\$ —	\$ 19
2% to 5%	2	—
5% to 7%	12	47
7% to 9%	—	36
9% to 11%	—	15
11% to 13%	—	8
<b>Total:</b>	<b>\$ 14</b>	<b>\$ 125</b>

There is an additional \$1,175 million Account Value allocated to strategies not listed above. Of this \$1,175 million, \$13 million is at the guaranteed rates.

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**Summary of Invested Assets by Asset Class**

(Dollars in millions)

	June 30, 2019			December 31, 2018		
	(Unaudited)			(Unaudited)		
	Amortized Cost	Fair Value	Percent	Amortized Cost	Fair Value	Percent
Fixed maturity securities, available for sale:						
United States Government full faith and credit	\$ 41	\$ 41	—%	\$ 120	\$ 119	—%
United States Government sponsored entities	142	143	1%	107	106	—%
United States municipalities, states and territories	1,251	1,298	5%	1,216	1,187	5%
Foreign Governments	140	148	1%	129	121	1%
Corporate securities:						
Finance, insurance and real estate	4,266	4,345	16%	4,307	4,088	17%
Manufacturing, construction and mining	634	638	2%	632	574	2%
Utilities, energy and related sectors	2,477	2,527	9%	2,527	2,306	10%
Wholesale/retail trade	1,552	1,537	6%	1,520	1,376	6%
Services, media and other	2,306	2,375	9%	2,227	2,035	9%
Hybrid securities	1,023	1,031	4%	992	901	4%
Non-agency residential mortgage-backed securities	859	898	3%	920	925	4%
Commercial mortgage-backed securities	2,744	2,874	11%	2,568	2,537	11%
Asset-backed securities	1,767	1,806	7%	1,542	1,549	6%
CLO securities	3,752	3,701	14%	3,411	3,283	14%
Alternative investments	937	932	3%	563	560	2%
Equity securities	1,115	1,087	4%	1,475	1,332	6%
Commercial mortgage loans	476	490	2%	482	483	2%
Residential mortgage loans	284	289	1%	185	187	1%
Other (primarily derivatives and limited partnerships)	478	528	2%	481	240	1%
Short term investments	—	—	—%	—	—	—%
<b>Total (a)</b>	<b>\$ 26,244</b>	<b>\$ 26,688</b>	<b>100%</b>	<b>\$ 25,404</b>	<b>\$ 23,909</b>	<b>100%</b>

(a) Asset duration, including cash and cash equivalents, of 6.7 years and 6.57 years vs. liability duration of 6.62 years and 6.19 years for the periods ending June 30, 2019 and December 31, 2018, respectively.

Credit Quality of Fixed Maturity Securities at June 30, 2019 (unaudited)

NAIC Designation	Fair Value (Dollars in millions)	Percent
1	\$ 12,498	53%
2	9,475	41%
3	1,082	5%
4	230	1%
5	73	—%
6	4	—%
	\$ 23,362	100%

Rating Agency Rating	Fair Value (Dollars in millions)	Percent
AAA	\$ 755	3%
AA	1,522	6%
A	6,238	27%
BBB	8,853	38%
Not rated	4,135	18%
Total investment grade	21,503	92%
BB	1,324	6%
B and below	412	2%
Not rated	123	—%
Total below investment grade	1,859	8%
	\$ 23,362	100%



Summary of Residential Mortgage Backed Securities by Collateral Type and NAIC Designation

Collateral Type	June 30, 2019	
	(Unaudited)	
	Amortized Cost	Fair Value
	(Dollars in millions)	
<b>Total by collateral type</b>		
Government agency	\$ 154	\$ 156
Prime	612	647
Subprime	92	94
Alt-A	142	143
	<u>\$ 1,000</u>	<u>\$ 1,040</u>
<b>Total by NAIC designation</b>		
1	\$ 948	\$ 989
2	39	39
3	11	10
4	1	1
5	1	1
	<u>\$ 1,000</u>	<u>\$ 1,040</u>

**Top 10 Holdings by Issuers**

(Dollars in millions)

<b>Issuer (a):</b>	<b>June 30, 2019</b>	
	<b>Fair Value</b>	<b>Percentage of Total Invested Assets</b>
AT&T Inc.	\$ 150	0.6%
HSBC Holdings	125	0.5%
Metropolitan Transportation Authority (NY)	121	0.5%
Enbridge Inc	121	0.5%
General Motors Co	120	0.4%
Energy Transfer Partners	118	0.4%
Prudential Financial Inc	115	0.4%
HP Enterprise Co	113	0.4%
Citigroup Inc.	110	0.4%
American Intl Group	110	0.4%

(a) Issuers excluding U.S. Governmental securities.

Reinsurance Counterparty Risk Top 5 Reinsurers

(Dollars in millions)

Parent Company/Principal Reinsurers	Reinsurance Recoverable (a)	(Unaudited)		
		Financial Strength Rating		
		AM Best	S&P	Moody's
Wilton Re	\$ 1,531	A+	Not Rated	Not Rated
Kubera Insurance (SAC) Ltd	857	Not Rated	Not Rated	Not Rated
Security Life of Denver	158	Not Rated	A+	A2
Hannover Re	130	A+	AA-	Not Rated
London Life	108	A+	Not Rated	Not Rated

(a) Reinsurance recoverables do not include unearned ceded premiums that would be recovered in the event of early termination of certain traditional life policies.

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**Shareholder Information**

Corporate Offices:  
FGL Holdings  
Boundary Hall, Cricket Square, 4th Floor  
Grand Cayman KY1-1102  
Cayman Islands

Investor Contact:  
Jon Bayer  
Investors@fglife.com  
(410) 487-8898

**Common stock and Dividend Information:**  
NYSE symbol: "FG"

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Dividend Declared</u>
<b>2019 (Unaudited)</b>				
First Quarter	\$ 8.80	\$ 6.57	\$ 7.87	\$ 0.01
Second Quarter	\$ 8.96	\$ 7.87	\$ 8.40	\$ 0.01

**Transfer Agent**  
Continental Stock Transfer & Trust Company  
1 State Street, 30th Floor  
New York, NY 10004  
Phone: (212) 509-4000  
<http://www.continentalstock.com>

**Research Analyst Coverage**

Daniel Bergman  
Citi Research  
(212) 816-2132  
[Daniel.bergman@citi.com](mailto:Daniel.bergman@citi.com)

Andrew Kligerman  
Credit Suisse  
(212) 325-5069  
[andrew.kligerman@credit-suisse.com](mailto:andrew.kligerman@credit-suisse.com)

Alex Scott  
Goldman Sachs  
(917) 343-7160  
[alex.scott@gs.com](mailto:alex.scott@gs.com)

Pablo Singzon  
J.P. Morgan  
(212) 622-2295  
[pablo.s.singzon@jpmorgan.com](mailto:pablo.s.singzon@jpmorgan.com)

Mark A. Dwelle  
RBC Capital Markets  
(804) 782-4008  
[mark.dwelle@rbccm.com](mailto:mark.dwelle@rbccm.com)

John Barnidge  
Sandler O'Neill + Partners  
(312) 281-3412  
[jbarnidge@sandleroneill.com](mailto:jbarnidge@sandleroneill.com)  
John Nadel  
UBS Research  
(212) 713-4299  
[john.nadel@ubs.com](mailto:john.nadel@ubs.com)

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